

AMENDED IN ASSEMBLY APRIL 25, 2016

AMENDED IN ASSEMBLY APRIL 7, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

## Assembly Concurrent Resolution

**No. 162**

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### Introduced by Assembly Member Dababneh

*(Coauthors: Assembly Members Achadjian, Alejo, Travis Allen, Arambula, Atkins, Baker, Bigelow, Bloom, Bonilla, Bonta, Brough, Brown, Burke, Calderon, Campos, Chau, Chávez, Chiu, Chu, Cooley, Cooper, Dahle, Daly, Dodd, Eggman, Frazier, Beth Gaines, Gallagher, Cristina Garcia, Eduardo Garcia, Gatto, Gipson, Gomez, Gonzalez, Gordon, Gray, Grove, Hadley, Harper, Roger Hernández, Holden, Irwin, Jones-Sawyer, Kim, Lackey, Levine, Linder, Lopez, Low, Maienschein, Mathis, Mayes, McCarty, Medina, Melendez, Mullin, Nazarian, Obernolte, O'Donnell, Patterson, Quirk, Rendon, Ridley-Thomas, Salas, Steinorth, Mark Stone, Thurmond, Ting, Wagner, Waldron, Weber, Wilk, and Wood)*

March 30, 2016

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Assembly Concurrent Resolution No. 162—Relative to Financial Aid and Literacy Month.

#### LEGISLATIVE COUNSEL'S DIGEST

ACR 162, as amended, Dababneh. Financial Aid and Literacy Month.

This measure would declare the month of April 2016 as Financial Aid and Literacy Month, with the theme of “Prosperity Through Education,” to raise public awareness about the continuing need for increased financial literacy.

Fiscal committee: no.

1 WHEREAS, California law requires that financial education,  
2 including budgeting, managing credit, student loans, consumer  
3 debt, and identity theft security, is included in the next revision of  
4 the social sciences, health, and mathematics curricula; and

5 WHEREAS, The State of California established the Bank on  
6 California Program to raise awareness among unbanked consumers  
7 about the benefits of account ownership and to spur Californians  
8 to open accounts; and

9 WHEREAS, The Bank on California Program makes quality  
10 money management education more easily available to low-income  
11 Californians and raises statewide awareness of the unbanked  
12 problem and potential solutions; and

13 WHEREAS, Less than 20 percent of teachers feel equipped to  
14 teach personal finance and more than one in six pupils in the United  
15 States do not reach the baseline level of proficiency in financial  
16 literacy; and

17 WHEREAS, According to American Consumer Credit  
18 Counseling, the United States ranks 14th on the global list of  
19 financially literate countries, behind countries like the Czech  
20 Republic and Singapore; and

21 WHEREAS, Nearly one in four adults admit that they do not  
22 pay their bills on time; and

23 WHEREAS, According to a GOBankingRates.com survey, 62  
24 percent of Americans have less than \$1,000 in their savings  
25 accounts; and

26 WHEREAS, According to Sallie Mae's "How America Saves  
27 for College 2015," on average, parents saved \$10,040 for college,  
28 the lowest level in three years; and

29 WHEREAS, 79 percent of parents believe it is more difficult  
30 for today's parents to save and pay for college than it was for their  
31 parents' generation; and

32 WHEREAS, Families that do not save for college typically do  
33 not save generally. Parents who are not saving for college have  
34 had, on average, 65 percent less money saved for all purposes than  
35 those who are saving for college; and

36 WHEREAS, The top reason cited for not saving for college is  
37 that families do not have enough discretionary money to set aside  
38 exclusively for a child's college education. More than 80 percent  
39 of parents cite this as a major or minor reason for not having started  
40 to save for college; and

1 WHEREAS, Nearly 67 percent of non-college-saving parents  
2 are not saving for college because they assume their children will  
3 be able to use financial aid or scholarships to cover the cost of  
4 paying for college; and

5 WHEREAS, According to the Junior Achievement 2015 Teens  
6 & Personal Finance Survey, 48 percent of teenagers think that their  
7 parents will help pay for college, but only 16 percent of parents  
8 of teenagers report planning to pay for postsecondary education;  
9 and

10 WHEREAS, Parents serve as teenagers' biggest teachers when  
11 it comes to money management skills. Eighty-four percent of  
12 teenagers report looking to their parents for information on how  
13 to manage money, but 34 percent of parents say their family's  
14 approach to financial matters is to not discuss money with their  
15 children; and

16 WHEREAS, Parents who do talk to their children about money  
17 are often leaving girls out of the conversation. Teenage girls are  
18 more likely than teenage boys to say that their parents do not talk  
19 to them enough about money management (40 percent to 24  
20 percent) and paying for college (34 percent to 23 percent); and

21 WHEREAS, The number of teenagers who think that their  
22 parents do not spend enough time talking to them about managing  
23 money rose from 21 percent in 2014 to 32 percent in 2015; and

24 WHEREAS, According to the Council for Economic Education's  
25 2016 Survey of the States, student loan debt is more than \$1.3  
26 trillion, the second largest class of consumer debt after mortgages;  
27 and

28 WHEREAS, The college graduating class of 2014 graduated  
29 with an average of nearly \$29,000 in student loan debt; and

30 WHEREAS, Undergraduate students typically can use  
31 scholarships and grants to cover only about 31 percent of the total  
32 average cost of one year of a college education; and

33 WHEREAS, 75 percent of credit card-carrying college students  
34 did not know they would be hit with late payment fees; and

35 WHEREAS, 4 in 10 millennials say they are overwhelmed with  
36 debt and more than one-half say they are living  
37 paycheck-to-paycheck, leaving them no ability to save for the  
38 future; and

39 WHEREAS, According to a study by PwC and the George  
40 Washington Global Financial Literacy Excellence Center of

1 millennials ages 23 to 35, inclusive, millennials are the age group  
2 with the lowest level of financial literacy. Only 24 percent  
3 demonstrated basic financial literacy, and only 8 percent  
4 demonstrated high financial literacy; and

5 WHEREAS, Millennials are “financially fragile” in the sense  
6 that nearly 50 percent do not believe they could come up with  
7 \$2,000 if an unexpected need arose within the next month, nearly  
8 30 percent are overdrawing on their checking accounts, and 53  
9 percent carried over a credit card balance in the last 12 months;  
10 and

11 WHEREAS, Only 36 percent of millennials have a retirement  
12 account, 17 percent with an account took a loan in the past 12  
13 months, and 14 percent took a hardship withdrawal in the past 12  
14 months; and

15 WHEREAS, Many employers, government agencies, schools,  
16 service groups, community organizations, libraries, financial  
17 institutions, and nonprofit entities, including, but not limited to,  
18 FDIC: Money Smart, the Consumer Financial Protection Bureau’s  
19 Office of Financial Empowerment, the California Jump\$tart  
20 Coalition, the CalCPA Institute, the New America Foundation,  
21 SparkPoint Centers, America Saves, the United Way Financial  
22 Literacy Program, Junior Achievement Finance Park, and the Girl  
23 Scouts of America, have created programs to help people improve  
24 their financial literacy skills; and

25 WHEREAS, Resolutions similar to this resolution have been  
26 introduced and passed with strong bipartisan support to increase  
27 awareness of the need for financial literacy for California citizens;  
28 now, therefore, be it

29 *Resolved by the Assembly of the State of California, the Senate*  
30 *thereof concurring*, That the Legislature hereby declares the month  
31 of April 2016 as Financial Aid and Literacy Month, with the theme  
32 of “Prosperity Through Education,” to raise public awareness about  
33 the continuing need for increased financial literacy; and be it further

34 *Resolved*, That legislators, employers, government agencies,  
35 schools, service groups, community organizations, libraries,  
36 financial institutions, and other nonprofit entities should be  
37 encouraged to provide all Californians with the opportunity to  
38 obtain or improve their financial literacy skills; and be it further

- 1     *Resolved*, That the Chief Clerk of the Assembly transmit copies
- 2     of this resolution to the author for appropriate distribution.

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